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Holm, Gert T.

Agriculture in Argentina

[Buenos Aires]

[1914]

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AGRICULTURE IN ARGENTINA

National Wealth Prostituted

A PLEA FOR SAFE AND  
SCIENTIFIC METHODS

BUENOS AIRES, NOVEMBER 1914

GUILLERMO KRIEGER  
IMPRESA, PAPELERÍA Y ENCUADERNACIÓN  
CORRIENTES 461

GERT T. HOLM

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AGRICULTURE IN ARGENTINA

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# National Wealth Prostituted

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A PLEA FOR SAFE AND  
SCIENTIFIC METHODS

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BUENOS AIRES, NOVEMBER 1914

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GUILLERMO KRIEGER  
IMPRESA, PAPELERÍA Y ENCUADERNACIÓN  
CORRIENTES 461

10 Sept. 1915. M.S.

COMPLIMENTS OF  
FRITS V. HOLM,  
% R. DANISH CONSULATE  
NEW YORK, N. Y.

# The Truth about our Agricultural Prosperity.

Is it a Myth?

500.000.000 pesos Annual Wastage.

The Farmers Hopeless Handicap.

Which is it to be, Ruin or Reform?

Elevators an absolute economic necessity.

Urgent Government Action Imperative.

The Wealth of a Nation is not measured by the Gold stored in its Treasuries, nor by the Splendour of its Cities, nor the Magnificence of its Feasts, but by the Prosperity of its Peasants: its Progress the Measure of their Poverty.

## A Plea for Grain Elevators.

### Their Object.

Grain Elevators are places especially adapted for the storage of cereals.

These are needed in the Argentine Republic.

Such are to be found all over the world, the greater number the more advanced the prosperity of the country producing grain.

If it is held necessary for the farmer

to shelter his implements, his tools, his cattle, then more so is it necessary to shelter his products.

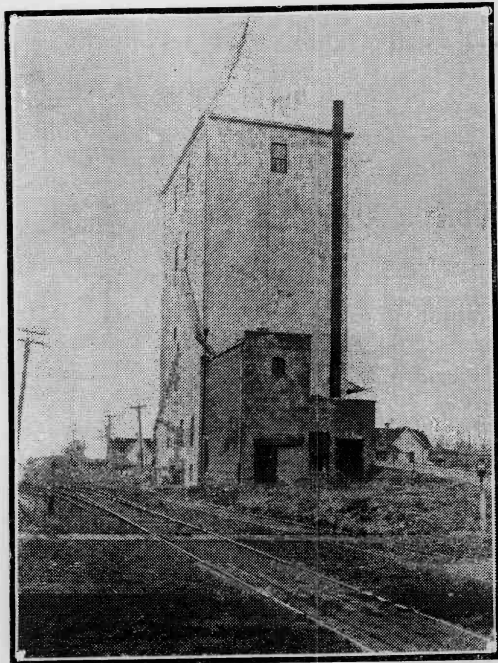
The sound storage of cereals has been proved necessary, and experience has demonstrated that sound storage is surest obtained in places especially constructed for the object.

Every farmer knows the necessity of securing his crop against deterioration; deterioration either by weather or animal pests.

The sounder the grain means the better the price; deterioration reduces the price and profit, therefore sound storage means higher profits.

As I say previously, experience demonstrates that sound storage can only be guaranteed by edifices specially provided for that object.

No farmer can maintain that his crops can be counted safe as long as it



Typical Country Grain Elevator as needed in the Argentine Republic.

is not proof against the attack of rodents, or insects, the changes of the weather, the dangers of heating, or damp, against fire or flood.

This has been recognised world wide and provision made accordingly.

Experience shows that such safeguards cannot be assured in open galpans, or sheds, or in stores which are not especially adapted for the purpose.

For this reason, after innumerable experiments, a type more or less common to all of store or elevator has been evolved.

It comprises every safeguard, safeguard against rodents by means of special concrete floors and walls, safeguard against damp by means of ventilation and drying machinery, safeguard against plagues has been achieved through cleaning the cereal, therefore cleaning machinery is a natural adjunct.

This country must learn to handle its grain by machinery instead of manual labour, just as it is transported by machinery instead of on the backs of animals. The elevator question means nothing more or less than a gradual substitution of machinery for manual labour, and the history of substitution during the past hundred years has made this substitution a recognised necessity among enlightened people. As far as storage is concerned, it must be borne in mind that grain elevators are nothing more than "educated sheds," and that the elevator does all those things that any shed does, in a far better, more economical manner, and at the same time does much which a shed cannot do.

A modern grain elevator absolutely protects the grain stored within it, and performs a maximum amount of work at a minimum amount of cost, whereas, the grain shed affords indifferent shelter and does a minimum amount of work at a maximum amount of cost.

Practically all other industries in the Argentine make use of modern machinery. Our railways use certain labour saving devices. Our contractors use the most modern concrete mixers. Machinery is in common use in every line of industry, with the exception of grain handling, and machinery has been kept out of that industry by interested parties, who have succeeded in complicating the question to a ridiculous extent; but who, in the operation of

their own plants (the mills, for instance) avail themselves of the best and most modern machinery collected from all parts of the world.

#### How They Work.

Let us see how such a system works in conjunction with Warrants.

The farmer having harvested his crop, threshes it, bags it, and carts it to the nearest elevator.

On arrival his cereals are sampled, they are graded and a receipt given for the weight or quantity received.

The cereal is next cleaned and well dried, then deposited in one of the chambers. Here it remains till the farmer removes it.

On the voucher received by the farmer, is stated the name or sort of cereal, its quality or condition, its grade, the quantity, the name and address of the depositor, with the date and place deposited, and the charges made for storing.

In general the charge made is two cents gold per quintal per month, for which the deposit owner compromises himself to keep and deliver the grain deposited in the same condition as received.

This document or Warrant the farmer keeps.

If he wants to sell as quickly as he can he sends the receipt or the warrant to his broker, or he goes to the local representative of a buying house.

Should the prices ruling suit him he hands over his warrant and receives his money.

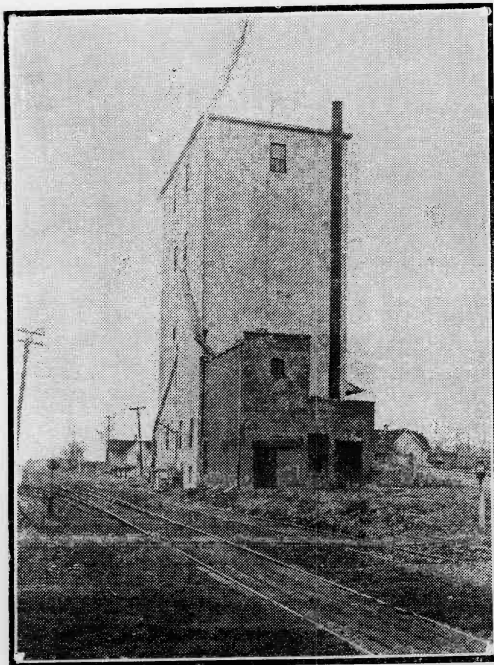
Should the price offered be below his expectations he puts the warrant in his pocket and waits for a higher bidder.

However, he has need of money to pay his expenses and debts, he goes to the bank, interviews the manager, presents his warrant there and receives a credit up to the minimum value at which the grain deposited may be expected to fetch.

There is no bank at hand, or funds available for discounting his warrant, very well he goes to the almacenero or store-keeper, shows, or even deposits, his warrant and obtains the credit he wants.

Supposing he pays off a debt or sum of money representing half the value of his grain deposited, he writes on the back of his warrant to the effect that

- 4 -



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- 5 -

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he has sold so much of the quantity deposited, and sends the warrant to the elevator owner. A note is made of it and a fresh warrant issued for the amount to the buyer or the quantity delivered him on the spot if he wishes to remove it.

In the generality these notes or warrants pass from hand to hand like bank notes. Their value is based on the quotation of cereals at the moment of exchange, and so according to the fluctuations of the market they rise and fall in rate of exchange.

As the crop is bought up by consumers and exporting houses and removed from the deposits for shipment abroad, or for local consumption, the warrants gradually are withdrawn from circulation, and each succeeding crop sees each year's new warrants.

#### The Elevator and the Warrant.

In this way the Warrants backed by elevators form a secondary emission bank notes.

The Elevator is the Caja de Conversion for the Warrant.

In it is deposited something equally valuable as the gold in the Caja de Conversion.

The gold there guarantees the value of the paper money, the grain in the elevators guarantees the value of the warrants.

But just as the value of the paper money depends on the gold being deposited safe and sound in the Caja de Conversion, so the value of a warrant depends on the grain being deposited safe and sound.

Just the same as it is held necessary to store away the gold in specially built places, to guard it carefully, ready for exchanging against paper notes, so it is necessary to deposit the grain in carefully built deposits, so that it too shall be ready for exchanging against the paper notes or warrants.

Equally as the gold would represent diminished security if it were kept in any other place than one adapted for safe gold storage, so does the grain offer diminished security if deposited in any shed or galpon.

Warrants without elevators to vouch their fidelity can be of no more commercial value than would be a receipt for gold hidden in a hole in the ground. On any other basis warrants are an illusion, and a snare.

The bank note is fiduciary on metal, the warrant on grain.

The real value of warrants rests precisely as does that of paper money, on the security of pledge or guarantee, and once this is as safe as it can possibly be made, then precisely as paper money circulates, so will warrants.

On this basis Warrants form, as I say, a secondary emission of paper money.

In North America Grain Warrants circulate at the same rate of interest as public funds for the simple reason that the necessary security is furnished, and the adjuncts vital to the welfare of the Agriculturists are established and well controlled.

Such is the prestige enjoyed by Warrants in the U.S.A. that nothing affects their value as negotiable paper, and in times of severe crisis when all other securities have fallen in value, Warrants alone have remained firm. During the recent crisis in the U.S.A. Warrants were quoted at equal rates to the best National securities and were negotiated freely where other values were impossible to market.

#### Some Problems Resolved.

As I repeated before on these bases Warrants form a secondary emission of paper money, or bank notes. On the shortage of money circulating to-day none need dwell.

The problem of the fiduciary, or paper money is one to-day calling for insistent solution. On the question of emissions, guaranteed by percentage of metal, on emissions guaranteed by paper, or rediscounted bills, on emissions without guarantee the dispute has raged without solution up to date.

For the farmer this year more insistent than ever is the question of obtaining funds for lifting his crop.

Will he obtain it this year when after a struggle he hardly succeeded last year?

Every year the struggle for advances is keener, the cost or rates rise, and in ratio his profits diminish.

For three months each year, every cent available has to be dedicated to advances for agricultural needs, and during this period commerce is deprived of the means for direct business necessities.

Each year millions rush out to the camp to be rushed back as soon as the crop is in.

Directly the farmer does business he paralyses commerce, and when commerce flourishes the farmer is paralysed.

How great is the call made on money must be clear, since the harvest this year demands no less than \$225 millions!

How important is this question of giving flexibility to the monetary system of this country to meet such demands without disturbing the whole economy of the country each year?

I have already touched upon one aspect of the question on which I must insist, namely, that all attempts to stimulate agricultural credit will prove futile without the previous establishment of a safe, dry storage protected, against insects, rodents, fires, floods, etc. If the cereal crop is to constitute the guarantee for the credit that might be obtained from a banking institution of whatever character or form, then the preservation, disposition and identity of the grain must constitute the indispensable conditions for that guarantee, and consequently the elevators that provide this will constitute the essential basis for a sufficiently ample agricultural credit. There can be no kind of storage that will meet the case at a lower cost, than a well-equipped elevator; this is a matter of experience, and is proved by simple calculation. And if, the establishment of public elevators would allow the consignors and banks to considerably extend the system of agricultural credit, it follows logically that they will result in freeing the colonists proportionately from the extortions of the grain trust.

Of course, I do not believe that the construction of grain elevators in the form proposed by me, would constitute a panacea for all ills, but obviously it would considerably improve the situation of the agriculturists by facilitating credit, for which safe storage instead of new banking institutions is required, giving the colonist the opportunity to sell his produce when the price may suit him, instead of being obliged to accept the spoliation of which he is now a victim, and saving him considerable expense in handling, storage, losses and natural waste, and especially, by the obsolete system and unnecessary use of bags, which entails upon him considerable sacrifice.

And what solution have we up to date?

But this is only one of the problems crying out for the hand of a competent statesman.

#### The Sack Question.

Each year brings its affliction of this problem, and disgracefully is it handled, since not one original idea can force its way through the mass of reports which hang round it like a millstone. This year yet another commission will thrust more obscurity into its solution, another impossible proposition will be evolved, and finally nothing done, the problem left again for the coming year.

The late Minister of Agriculture proposed free imports of Jute or other sack material, as had others before him, the reduction of duties on sacks, the acquiring of sacks by the Government, special loans for sacks, half price sacks, the manufacture of national sacks, only the proposal of free sacks for all has yet to be made. What the present Minister will advocate none know, for truth to tell every known idea within this circle of ideas has been proposed and exploded. In this lies some hope for a new line of thought, although tendencies are not indicating any yet.

Sacks represent an investment of over \$60,000,000 this year according to authorities competent, that is a sum equal to one tenth of the whole money in circulation.

One can understand why the proposal of free sacks has never prospered, nor their purchase by the Government, further too the proposal of free sacks, also special loans for sacks, also the production of national sacks, the manufacture of which would call for the organisation of an industry with enormous capital.

The need for buying sacks for this crop adds one quarter to the cost of harvesting, and yet a sack only costs from 25 to 40 cents; let it but cost 15 cents, and still the total cost is beyond reason, and demands reducing.

Each sack the farmer uses costs but little if it is true, none the less the loss penalises him not alone because it is unnecessary primarily, but what is more, because its use brings in its train much heavier losses. From the money spent on sacks the farmer recuperates nothing. The \$60,000,000 are a dead loss each year to the country.

Elevators would do away with this loss because they store the grain in bins, or chambers.

They do not do away with the use of sacks altogether, but where the farmer uses 10 sacks to-day he will use one the day elevators exist.

Sheds, or galpones, or deposits in which the grain must remain in the sacks do not solve the problem, on the contrary they add to the difficulties, because they bring about increase on the price of sacks, on account of their holding up the sacks thus preventing their being used over again.

Unless elevators are provided, next year sacks will represent a still larger sum of money, and the grain lying stored under the Warrant Law to-day means not diminishing the number of sacks but increasing them.

Instead of \$60,000,000, twice that amount will be necessary.

Instead of solving the problem, the use of sheds or inadequate deposits, complicates it; its sole solution lies in the erection of elevators.

What importance lies in the proper appreciation of the question should need no better advocacy than that of the late Minister of Agriculture and Public Works, Dr. Ramos Mexia, who in his programme for Public Works of 1912 has left us the following:—

"The bags used for last year's crops, represented a value of nearly fifty million dollars (\$4,365,079), it being calculated that the cost of those required for the 13 million tons reaped in 1912, was \$0.3833 paper per hundred kilos. The economies to be obtained by the grain elevator system in the manipulation of cereals represent fourteen millions (£1,222,222), according to the calculations of the best authorities, and it is estimated that the sum per hundred kilos, which the extortion of the trust adds amounts to fifty cents. Therefore, the agriculturists receive each year one hundred and twenty eight millions of dollars (\$11,174,000) less than they should receive, due to the employment of bags, to useless expenses, and to the pressure by the monopoly; and yet the only remedy that is found for this enormous evil is the purchase by the Government of one fiftieth part of the necessary bags. I doubt the result of the Government's intervention with such limited elements, and I doubt still more the advisability of initiating State Socialism in this country by intervening as a commercial competitor, whenever an article of prime necessity becomes dear. However, this may be,

there is another remedy. To my mind it is not a question of the price of the bags, as they would be dear at any price. The radical cure consists in suppressing them. If the expense is unnecessary and useless; if manipulation of bags by hand is more expensive, more exposed to losses, and occupies more time than the mechanical handling of grain in bulk; why encourage the system instead of endeavouring to do away with it? I am aware that this cannot be accomplished in a moment, but nothing is ever done without a beginning. With the construction of large elevators in the ports of Buenos Aires (Dock 3), La Plata, Mar del Plata, Rosario and Santa Fe, which could be effected within a short space of time, the bags could be returned to a large number of agriculturists from the railway station nearest the colony, and might be used again and again, because grain in bulk can be loaded in the ordinary closed wagon without difficulty. Afterwards the district elevators would be brought into use, and in fact could be ready at the same time as those of the ports, so that with their assistance the number of bags required would be almost insignificant."

#### What the Absence of Elevators Mean.

Let me take the most important question first.

Does the farmer obtain full value for what he produces?

If we are to believe the farmer he does not.

Comparisons made with the prices paid the farmer in other countries show that systematically he receives from 10 to 20 c/o less for his crops than elsewhere in the world.

How is this explained.

As we see every farmer once his crop is harvested is glad to get it off his hands and finished with it. He takes the prices ruling at the moment, sells, pays his debts and count his gains.

What can one expect when nearly 3,000,000 tons of wheat for instance is offered for sale all within a few weeks?

When all lay their goods on the bargain counter at the same time can one expect full price?

Again, who is on the other side of the counter, an unlimited number of buyers, no, just four or five persons; the Grain Trust.

Who can blame these four or five

firms if they put their heads together and form a trust? They say themselves they are not in business for sake of their health alone.

They would be fools to outbid each other, with so many anxious to sell. Prices are fixed to suit themselves, and since no one pays more than obliged, they are as low as combination can bring them.

But why are there not more buyers then, when prices are so low, and profits so great? It must be held in mind that the wheat crop alone represents about \$500,000,000, and outside those forming the trust, what buyers are backed with such finance to permit their dealings affecting the trust: if they are strong financially their interest is in joining in the trust.

Can the market be forced to absorb in three months what a whole year has to consume, and yet pay full prices?

The brokers can only buy in order to sell when and what consumption calls for. In the meantime then the cereal must be stored somewhere until consumed.

#### What Forcing the Market Costs

Why does the farmer tender his crop for sale so urgently? Why does he not wait? Because firstly he wants the money, secondly what is the good of waiting if his crop only deteriorates in the meanwhile?

As there are not only insufficient but scarcely half a dozen proper storing places in the whole country, the grain must be rushed out of the country to some place where there are places to store it.

Supposing the farmer was able to store his crops till the consumer came along and begged for it, how would things stand? What difference would it make if instead of his having to beg the consumer to buy it and having the price dictated him, he could dictate his terms.

According to well known authorities, the difference between selling his crop on the spot, and between keeping it till the consumer demands it, represents at minimum average base of 2 cents per kilo the mighty sum of \$200,000,000 annually.

That is, this fabulous amount is put into the pockets of foreigners because the Argentine will not provide himself

with the necessary places to store his grain in.

The same state of affairs once existed in the U.S.A., but there with practical men conducting their business they soon discovered what difference was meant between selling in a hurry and selling at your leisure.

They discovered that in any case grain had to be stored, and since storing was necessary, they might as well do it themselves, but experience soon demonstrated that it was not a simple question of filling sacks and then storing them in a shed.

It did not require long experiment to prove that storing grain in sacks was too expensive, the money represented by the cost of several million sacks was too much to permit its lying idle for several months.

Therefore it was obvious that full benefit could only be obtained if the grain could be stored in some way obviating the use of sacks.

The more so was it found necessary to do away with the sacks from other standpoints for it was found that the sacks caused further prejudice in collecting insects and rodents, for which they provided excellent breeding places.

Ordinary sheds too proved far too insecure against rats and insects, without taking in count that they offered great disadvantages in regard to keeping the grain sound and uninfluenced by the wet or damp.

The losses from anyone of these sources were sufficient to draw the attention of the farmers to the advantages of specially built deposits which would offer immunity or at least greatly diminish losses from these sources.

Whilst touching on the question of losses according to semi-official estimates the losses last year on the maize alone, without taking into account any other cereal through faulty or non-existing storing and drying plants is estimated to have exceeded \$200,000,000.

The most efficient way of safeguarding against rats was shown to be from extra thick floors and walls specially constructed, against damp and mould solid walls and ventilation, and proper cleaning and grading, further the use of sacks was seen to be easily diminished by storing in chambers. With these considerations

in view elevators were evolved, which as practical trial and observation dictated finally took their present form.

The additional cost in preparing adequate depots was found to be covered in the first year, through the better prices obtained for the grain stored there owing to its suffering no depreciation.

No sooner had the disadvantages of storing grain in sheds or deposits not especially adapted for such purpose become apparent, and too, the important question of avoiding the use of expensive sacks been resolved than the use of elevators began to extend all over the place.

Wherever one was built, its success caused others to follow for what more could the farmer ask, he saw his sack bill reduced to a minimum by storing his grain in chambers, his losses from insects and other pests brought almost to nothing, and his cereal sound for whenever he found a buyer at his own terms.

#### Advantages Recognised

The advantages could not fail to impress the most sceptical of farmers, nor could the most recalcitrant of Agricultural Ministers refuse to see their advantage.

Elevators have since become synonymous with farming success in the U.S.A.

It must not be supposed that other countries have been long in discovering similar advantages for themselves in the possession of elevators.

In Canada the spread of the agricultural zone has been stupendous, but would it have been possible without elevators? On all hands it is recognised as partly due to the enormous advantages which elevators have given them, over their competitors.

Wherever one turns far back into the past, history shows that intelligent recognition of the use of (elevators) sound deposits has existed. Egypt has left behind records of a one-time mighty system of grain deposits, and even to-day among the Kaffirs, travellers remark with surprise and enthusiasm the way they have of safely depositing the grain they cultivate.

If Russia, which shared with the Argentine Republic the reputation of

poor agricultural development, and also incidentally the canker of a similar grain trust, has at last decided on a plunge for freedom, with the building of deposits and the legalising of Warrants, then it behoves this country not to be left much longer in her shameful neglect of her most vital interest.

Surely it must be apparent to the Minister of Agriculture that the needs of the farmers are pressing, and that the economical fate of the Republic hangs on a successful harvest and facilities of handling, storing and marketing the crop when gathered.

What has been accomplished under the present Minister cannot be regarded as monumental, for practically nothing towards adopting modern and economic ways of grain handling has been done. No serious attempt has been made by His Excellency to discard our archaic methods, thereby saving hundreds of millions of pesos annually lost to the Nation through deliberate neglect of the Department.

Another aspect of this absence of proper facilities for business is seen in the complaints made abroad in regard to the presence of impurities in the cereals despatched abroad. The complaints signal the presence of mill-lots, sweet smelling clover, in the wheat and oats reaching the markets, which impregnating the cereals with its strong odour, reduces the milling value to nothing. If there were proper cereal deposits with adequate clearing machinery such complaints which affect the name of Argentine products and incidentally reduce their value, could not occur.

Sell when you can, whether you make or lose is the axiom of the farmer, and buy when I like, pay what I like, the motto of the buyers in the Argentine Republic.

It is strange but true that elsewhere holders realize whenever they like and at what price they like, and they are prepared to undertake the holding of their crops until they get what they consider a fair return for their labour. And since they have taken the steps necessary in building safe deposits they can cheerfully face any risk in keeping their crops, till the needs of the market send up the prices again.

That the war is on in Europe is no reason for holding back the progress

of the country for another year or so, on the contrary it is a reason for putting the construction of grain elevators in hand at once.

To insist on the need of grain deposits or elevators sounds like harping on the necessity of sowing before one can reap; still there exist some, even Ministers, who pretend to doubt as to the utility of grain elevators.

#### What they put in the Farmer's Pocket.

Besides the advantages individually brought through their use, they put money in the farmer's pocket directly as a business proposition.

Let me cite one case alone to begin, that of Saskatchewan in Canada.

According to an official publication at the close of the first year 1911, following on the enactment of a farmer's cooperative elevator law there were 46 elevators in existence there with 2,530 shareholders; these handled 3,261,000 bushels of grain from which a nett profit resulted to the shareholders of 52,461 dollars gold. In the year 1913 there were 194 elevators with 13,000 members, and upwards of 10 million bushels handled at the close of the harvest in October.

In 1912, the second year, with one hundred and forty elevators whose total capacity was 4,250,000 bushels, fully 13,000,000 bushels of grain were handled under the direction of the company. At the end of that year the company had a clear profit of \$167,326. After the payment of dividends to shareholders, an amount representing three dollars per share was applied to increase the paid-up capital of all shareholders. At the end of the second year, the balance sheet showed total assets of \$1,709,000, of which \$1,290,000 represented the value of the country elevators. The loan from the Saskatchewan government to the company stood at \$1,206,000 on July 1, 1913.

#### Progresses Elsewhere.

This is in a part of Canada whose very existence scarcely dates back a decade, where so many natural facilities such as there are reigning here, are out of discussion. Turn where one will the same solid results are achieved, in India where one or two were built as an experiment, their success

among a population steeped in routine has been such that many are being built all over the country; in Russia the Government having convinced the peasants of the advantages of elevators, committed itself to the erection of two hundred within a space of a couple of years, with a storage capacity of over half a million tons.

Roumania and Hungary have also followed suit and to-day the Argentine Republic stands alone in its backwardness.

If the benefits so great are recorded everywhere else what reasons exist against supposing it will be contrary here, if other countries have benefited by thousands and millions of pounds, then Argentina with all her natural facilities must benefit by millions, where others do by thousands.

#### Their Cost.

Various have been the estimates for constructing elevators in this country, but under normal circumstances the cost of a primary or local country elevator with a capacity of 2,000 tons is \$30,000 pesos, this includes all the necessary machinery for cleaning and treating the grain.

The storage charge is calculated at \$2 per ton per month, including insurance against fire or destruction. As we see in Canada where the Government, working on a cooperative basis, has facilitated the farmers money at cheap rates for building elevators, such elevators despite charging minimum rates, are very profitable to the shareholders. Although 1/2 cent gold per bushel was the maximum profit calculated in one place, the actual profit proved double after paying all expenses including amortisation of debt.

Here in the Republic it is estimated that there is room for over 500 grain elevators, ranging from local country elevators with a capacity between 1,000 to 5,000 tons, to district elevators with capacity up to 30,000 tons, and to port or terminal elevators with capacity of 100,000 tons and above.

In an extensive study the Ex-Minister of Agriculture, Dr. Ramos Mexia estimated that when the needs of the country were met there should be in existence the following:—

STATEMENT	Capacity	Cost \$ m n.	Equivalent
	in Tons		in £ Sterling
New port of Buenos Aires . . . . .	200,000	4,000,000	349,206
Dock No. 2 Buenos Aires . . . . .	100,000	2,000,000	174,603
Port of Mar del Plata . . . . .	40,000	1,000,000	87,302
Port Uruguay . . . . .	40,000	1,000,000	87,302
Port of Quequen . . . . .	25,000	375,000	32,738
Port of San Nicolas . . . . .	25,000	375,000	32,738
50 Regional Elevators of 25,000 T. . . . .	1,450,000	21,750,000	1,898,800
200 Primary " " 5,000 T. . . . .	1,000,000	15,000,000	1,309,524
500 " " " 2,000 T. . . . .	1,000,000	15,000,000	1,309,524
	3,880,000	60,500,000	5,281,746

In the above table, the elevators at the ports of La Plata, Santa Fe and Diamante are not included seeing that they are comprised in the works intended for these ports, nor are those at Rosario and Bahia Blanca because they belong to private companies.

During the first three years the construction of the district and port elevators would be proceeded with, excepting those at the New Port of Buenos Aires and La Plata, the building of which would require two years more owing to the time that would be necessary to terminate the works which will serve as foundations. All the plans and specifications are calculated on the basis of the gradual development of each elevator in ratio to the demands made upon it, and in two years the system could commence to operate at an expense of one fourth of the total sum allocated in the distribution of funds.

Even putting aside momentarily the extensive system indicated by this Minister in his plans for Government undertakings there remains other private proposals less ambitious, which have been placed before the authorities. Curiously these have failed to meet the approval of the Government, as has another recently put forward by an influential group of capitalists.

Private enterprise would rapidly repair the damage done the country under the ruinous tolerance of the Government, from which private enterprise seeks but security that their efforts shall not be sacrificed at any moment in the manipulations of politics.

On what real reasons the present Minister declined to entertain the latest

offer are not clear, those given are certainly ambiguous enough for any lawyer, and sound strangely unsophisticated from the lips of a statesman.

The Government, however, having the best interests of the farmer at heart will sanction any combination, which offers it the largest share in the profits.

Since the profits must result from dealings with the farmers, the best interests of the farmer are secured through the Government pocketing the greater part so obtained.

Under other conditions no help is to be awaited, still less can the Government be presumed to discuss any guarantees of good faith for the future.

#### Defective Arguments Against.

The Minister lets one deduct from his words that the existence of elevators would but give a new field to trusts and combinations, and since there is one trust doing much harm under present facilities the logic is that further facilities would result still more inimical.

It has been maintained that the outcry is the chief stumbling block; well let the Government confide the task to private enterprise, which is very willing to risk the cost.

In Canada the problem is solved through the Government facilitating farmers money for cooperative owned elevators.

In face of the offers to provide the funds even to-day, there is no holding to the once insistent excuse of no mo-

ney available for elevators in the Republic.

Arguments have fallen chiefly on the theory that elevators are not necessary for this country.

This in face of the figures, adduced not to dilate on the possible profits to the owners of elevators, but to cover the losses inflicted on the farmer under the present system.

Equally futile is the argument that they are not suitable for the present, as they would occasion much confusion in the established order of things. Is more confusion possible than at present?

Do elevators not already exist in Buenos Aires, Bahia Blanca, Rosario, La Plata, Santa Fe, etc.? However, those are under private control or controlled by the Grain Trust.

#### The Railways and Elevators.

To thrust the blame on the Railways is also puerile, for the railways have been among the first to construct elevators, which they would have extended had not the authorities seen fit to difficult their task, through political machinations. That the interests of the railways lie bound up in the advancement of the well-being of the farmer, is true, but much more lies the truth in the advancement of their own interests.

Their own interests are the securing of freight, the transport of which is possible at a minimum cost to themselves and compatible with a maximum charge, equitable to the interests of both parties.

Can it be maintained as other than inimical to their interests that for a few months each year, immediately following the harvest, their lines are choked with traffic, whilst for the rest the traffic barely covers working expenses.

If their profits hang on the harvest traffic, how much must they diminish through its being rushed away in such a hurry, and how much would they be increased if instead facilities existed so that these freights could be moved in a normal way.

The transport of grain in bulk would represent a gain from the first, which would more than treble cover any inconvenience experienced in the provision of suitable rolling stock or in the adapting of that at present existing.

The annual hue and cry over short-

age of wagons would cease, the railway companies could then look forward to the renewing of their rolling stock with equanimity and it would give them the opportunity of providing suitable wagons with the certainty that their use would extend over the whole year. The regularity of traffic might reduce the cost of freightage and the knowledge that throughout the country there existed freights waiting dispatch at opportune moment would mean for the railways a firm base for their calculations such as is denied them to-day.

Competent authorities put the loss arising from damage to the crop through absence of elevators from 15 to 20% of the 15 million tons harvested annually, or it means one and a half million tons less freightage which quantity is equal to 100 million pesos; a vital matter to the prosperity of the country and of the railways.

The fundamental security given the railways through the existence of elevators needs no dwelling upon, a study of the nett results in the U.S. and Canada is a most emphatic endorsement one can adduce.

Although it is assumed with good reason that the development of the country has been largely due to the extension of railways, none the less this has been equally contributed by the period of relatively very high prices for grain during the past years, which stimulated the growth of wheat all over the world, notably in the Canadian Northwest, India and Australia. In time this may cause a decline in the price, and when we enter into a period of lower prices, we have a right to anticipate that it will be a serious matter to the Argentine grower, and it behoves the railway companies to do all they can to reduce the cost between the farm and the market; not only in the carriage but also in the saving of cost in handling, expense of bags, wastage and the loss through vermin and weather damage. The present system undoubtedly seriously affects the purchasing power of the agriculturists, thereby adversely affecting the general traffic of the railways. At the present time, in the United States, there is far less waste between the agriculturists and the consumer, and the amount of money which the agriculturist receives is very much closer to the price which the consumer pays

than in any other grain raising country in the world. This is due to the encouragement offered by the railroads, the establishment of terminal elevators which are turned over to grain people who understand the business, and to the non-interference of the Government in the matter of grading, etc.

The wonder is that the country has developed as rapidly as it has, despite the present handling system, and that the area sown and the output of grain has been continuous under the present system is not a conclusive argument in favour of perpetuating the present obsolete extravagantly wasteful methods.

#### Elevators and Shipping.

The influence of elevators it must be kept in mind exercises itself over all manners of transport, shipping equally as railways.

Through the absence of proper storage the crop must be shipped away as soon as it is harvested, which means equal congestion and disorganisation for shippers and owners, whose freights must rule accordingly. Where bad weather or other delays may keep a ship loading hanging about for weeks, and increase her expenses heavily some extra provision must be calculated, and where ships have often to wait weeks to get a berth, so great is the rush of cargoes, freights must necessarily be higher to cover the risks.

Shipowners are also well aware that the non-existence of any place to keep the crop means it must be dispatched as soon as sold, and manoeuvre accordingly so that freights shall be as high as possible at the moment of pressure. Charterers too, have to calculate the possibility of a bad season forestalling them, and it may happen that despite all prognostications for cheap freights ruling, this country finds herself heavily penalised at the actual moment. The experience of shipowners with River Plate freights have made them chary of taking risks, except at favourable terms.

That the Grain Trust has it within its power at times to bring the tramp owner to despair is an established fact, but when it is the shipowners' turn he uses every opportunity of revenging himself which is always amply taken advantage of, and it may be calculated, although on a very fluctuating basis that on an average at least 1s. per ton

is paid over and above what is necessary, comparing River Plate freights with the international freight market.

#### National Wealth Sacrificed.

I cannot do better in the first case than give the explication as it presented itself to a one time Minister of Agriculture, Dr. Ramos Mexia. In the last memorial of his he says:

"Although this chapter refers to both railway and port installations, I have not considered it advisable to divide it into two parts to be incorporated in the respective railway and port sections, because in reality the agricultural, industrial and commercial functions that grain elevators are destined to exercise require a complete and separate organization, and I am therefore placing it between the two chapters with which it is equally related."

"In my opinion the various economic problems that are mainly, if not entirely, solved by the scheme for the construction of elevators are of so fundamental a character, that a programme of public works, which did not include them, would be incomplete. The possibility of the establishment of a great monopoly in the preserved meat industry energetically arouses public opinion, and for the Government it constitutes a real danger, whilst the existence of the most formidable monopoly which could be formed in the Argentine Republic, and which like a vampire, has for years past been draining the blood of our national agriculture, is completely ignored."

"The fact is explainable. The meat trust would principally threaten our great breeders, the sellers of thousands of head of cattle, or the rich owners of pasture lands, so affecting the pockets of the well to do, and this moves not only public opinion and the press, but also the National Congress, where the matter is discussed at length. On the other hand the cereal trust, which deprives the poor colonists of many millions every year, excites neither attention nor alarm, because the sufferers lack the means of making themselves heard."

"But supposing that the elevators produced no effect upon this powerful commercial organization, and considering only the economy in bags, handling, risks, etc., that I have estimated at sixty-four million dollars (£5,587,302), what would it cost to construct

the elevators? Only sixty and a half millions (£5,281,746), according to carefully prepared estimates."

"Thus the country would reap an annual gain of more than one hundred per cent. on the capital sunk, and there is no reason to doubt that the Exchequer would collect the interest and amortization thereof without difficulty. I therefore ask whether a scheme of such promise, which meets the most exacting requirements of our national economy, has ever before been brought forward, and what are the reasons for opposing it. None have ever been adduced, and complete silence is maintained. During the last few days, that I remained in office, I learned with surprise, that my distinguished friend the Minister of Agriculture, was opposed to the scheme; I say with surprise, because I could imagine the opposition of the Finance Minister on the score of financial embarrassments, but never that of the Government functionary, who is entrusted with the interests of the agriculturists. As he is opposed to my ideas, what counter proposals has he to make? The purchase of bags, as he did propose?"

"It might be argued against the scheme that in Canada and the United States, where grain elevators are of incalculable service to the agriculture and commerce of those countries, their construction is not considered a duty of the State, and that we ought to follow their example. But in this country we have not adopted the policy of leaving everything to the action of private capital, witness railways, health works, mortgage and discount banks, hospitals, asylums, etc., etc., the construction and working of which are undertaken by the State. Moreover, the argument would not be logical on the part of those, who have maintained the desirability of entrusting the Government with commercial functions at the request and for account of private parties, whatever may have been the form of public service they had in mind."

"On the other hand there are examples of a State undertaking, by means of the construction of official elevators, to guarantee the negotiability of grain warrants, in the manner in which the circulation of paper money is guaranteed. One country in question is Russia, whose government has just decided to carry out the work, placing it in the hands of the directorate of the Im-

perial Bank who have begun with a programme for constructing one hundred and twenty-five elevators in the principal railway stations, twenty nine at the ports and twenty four at the central points of distribution, the work being continued night and day in order that it may be terminated at the earliest possible date. The government of India, proceeding more warily, has tested the system as applied to local use, having constructed at Lallpur an elevator which in the short time it has been in operation has given the most promising results."

"It must be borne in mind that we can have little hope of private action in this direction, as in spite of all the laws that have been passed, time goes on and nothing is done. For these well founded reasons and for those expressed at length in the Memorial referred to, I consider it indispensable to include in the general scheme of public works the construction of grain elevators, with which the Government would contribute powerful and efficacious aid towards the development of riches in the grain provinces, and these latter by such means would receive advantages equivalent to those obtained by other provinces in the shape of railways and irrigation works."

But considering the attitude of the present Minister it almost seems that each Minister must wilfully ignore everything attempted by his predecessor; that with every new man a new field of action is opened never previously touched.

Is it then really ignominy for a Minister to follow up something previously studied, to attempt to carry out another's plans, to follow in the footsteps of a predecessor who has shown some appreciation of the country's requirements?

#### Wake up Argentina.

Again let me repeat from a brochure published in 1907, under the pseudonym of Cornucopia, which as it did then, still seems to me to reflect the conditions unchanged and which curiously recalls a situation 7 years back, much resembling that to-day:

"Agriculture is the corner stone of Argentina's wealth and power. Nature having endowed her with such bountiful crops, leaves it to the Sons of Argentina to safeguard this magni-

ficient birthright, to see that it is not squandered, but administered with intelligence, and realized to the best possible advantage, for the welfare of the Country and the people.

That this onerous responsibility has been discharged with credit in the past cannot be justly claimed, but some extenuation can with reason be pleaded and allowed, as the development of Agriculture has been so phenomenal and rapid, that the necessary economic advancement which should go hand in hand with it, has been neglected.

"In 1897 the total Exports of Wheat, Maize and Linseed were 600,000 tons—to-day, 10 years after, the promise for the coming Cereal year is around 10 million tons. The miracle has happened, the increased crops are concrete, but the lack of storage, and the consequent absence of facilities for financing, have become much more accentuated and vital.

"Apart from the millions of dollars which is yearly lost to this country by the pernicious throwing away of her crops, the injury and depreciation thereby caused to the interests of other great producing countries is incalculable. Argentina stands alone in her utter incapacity to market her crops on sound business principles, and it is well for the commercial world generally that other countries are able to handle their surplus products with some regard to the laws of supply and demand, otherwise the disequilibrium which is annually produced by Argentina's pressure to sell, would result in chaos.

Canada, for instance, the country which joins issue with Argentina for the claim of being "The World's Great Breadfield," is equipped with stores throughout her wheat belt, and has a storage capacity for not far short of 2 million tons in regular warehouses, that is to say, warehouses under the control of Public Companies, which are recognized by the State and the various commercial bodies, and whose cereal warrants are held to be first class security, recognized and negotiated as such by the most conservative financial institutions.

Canada thus equipped with such a formidable line of defence, holds her wheat at the actual value, and she is in a position to wait until her weaker competitor Argentina has "shot her bolt."

Adam Smith discussing the fundamental principles of economy in his "Wealth of Nations" lays down, that supposing 10 bags of wheat are taken to market, but there is only demand for 9, the price of the forced sale of the tenth bag makes the market value of wheat; this is illustrative of Argentina's case, she forces her crops on consuming markets greatly in excess of requirements, and thus depreciates the value of the whole.

The question is whether Argentina will regulate her shipments over a period of 10 months, in accordance with natural requirements, or continue the suicidal policy of shipping everything over a period of 3 to 4 months, and shutting consuming markets. Unfortunately there is no reason to doubt that the usual order of things will not but follow.

In any case time is required to consume the crops, and if they are dumped in Europe, it is very certain that Argentina will not only pay the actual carrying charges and interest of money, but will pay the piper dearly for calling the tune, inasmuch as consuming markets being forced to carry such large stocks, are thus placed in a more independent position, and given power to depreciate the values of future shipments.

The interest of the Nation as a whole, is that its products shall obtain a fair return, and the time has come when definite measures must be instituted to protect the producer and the produce.

It would be idle to suppose that the solution of this problem will engage the serious attention of the small clique who control the export of cereals, otherwise than to incur at least their secret and unscrupulous opposition. This aggregation of capital has been so skillfully engineered, that it now constitutes a growing evil, and a monopoly of almost unlimited power, and almost of unlimited resources.

This iniquitous monopoly in food-stuffs does much more vicious and vital harm than any of the North American trusts manufactured articles; it strikes at the actual root of the Nation's welfare. In reference to North America it is on record, and well worthy of Argentina's special interest, to note that in 1894, when a clique of the most wealthy capitalists endeavored to monopolize the cereal

products by forcing the Anti Option Law through Congress, which would mean the closing of all future markets, and the consequent destruction of the small trader, and of all competition, it was discovered by the financial and general interests, that a fund of more than 1 million gold was provided by these big interests for the purpose of rushing the Bill into law, and the measure was promptly killed.

Thus in North America vultures find no home on her wheatfields, although large species of this carrion breed, well known on Argentina's rich plains, have paid heavy tribute to the protection that America affords her producers, and have flown to pastures new. The broad and equitable system of trading, means death to the vampire methods that unfortunately flourish and fatten in Argentina.

It is perfectly clear that the introduction of any methods likely to foster competition and afford relief to the grower from the present usurious and iniquitous system in vogue, will meet with the most strenuous opposition of the few daring and skilful monopolists who now subordinate all other interests to their own; the producer is absolutely at their mercy, and even the big railroads must bow to their dictum. This however is but a particle; their powers are without limitation.

Not only the cereal market, but the freight and exchange markets they manipulate and swing to suit themselves by their own gold imports and operations. When they want to force the price of cereals down here, they have only to offer largely in Europe, and work a fictitious rise in freights, which immediately causes the desired decline here—they then buy—reverse their tactics, and engineer a rise to unload in Europe, but take care to buy as little as possible here at the advance. Woe betide the small trader who crosses their path, or the enterprising cereal or ship broker who has temerity to arouse their cupidity, by presuming to snatch a bone from the feast, in the shape of an odd commission; his brains are duly sucked, and he is tricked of his prospective business by some means: the end justifies the means however reprehensible they may be.

"War to the Knife" is the motto of this little band of highwaymen. All competition must be crushed, or if it

should be big enough to be dangerous, efforts would doubtless be made to buy it in.

The methods in vogue, however, are quite sufficient to keep off any effective competition. Undoubtedly the adoption of broad commercial principles, while rendering incalculable benefits to the country and her commerce would still afford this clique ample scope for the display of their capital and energy, without the taint of brigandage; but their policy is avaricious, and shortsighted.

They are content with their role of auctioneers, for the sale and annual debacle of Argentina's products.

The wealth of Argentina in the hands of some three or four firms, and absolutely at their mercy—a sight for the gods indeed. What right has this monopoly to live? Is it conquest by war, or the right of heritage? No. Aliens to the earth could not put this plea. It is the dominion of the dollar, a soulless system without scruple or principle, bent on the spoliation of the riches of her fertile plains, by these Buccaneers of commerce. Their methods are relics of barbarism, with absolutely no basis or shred of equity; the producer is entirely in their hands—quantity, quality and market price—it is all the same—he is tricked and fleeced in one and every way.

Wake up Argentina, let the voice of your great Press ring out the challenge to this hydra-headed monster that is within your gates. Is it not enough that it is absolutely the same grip of millions exploiting the labor, and richness of your soil, which shackles the serfs of Southern Russia, and the Congo nigger? The economic prostitution of those countries having in sequence atrocities and bloodshed to the standing disgrace of civilization.

It is Argentina's duty to arrest the outrage on her resources that is daily being perpetrated and this without delay, or the unwritten pages of history may have in store for her no mean penalty for such grave default.

A trust in precious stones is not difficult to countenance, but a trust in cereals is a malignant cancer, it strikes at the heart of the general welfare—the producer suffers at the one end and the consumer at the other. In the present case the rich harvest reaped in the exploitation of the country's products, does not even find a home

here, but for the most part is disbursed in Europe. Even this solace is not forthcoming.

Argentina does not hesitate to vote the necessary money to maintain the efficacy of her Navy and her Army, nor scruple to grant 10 millions of dollars to combat the locusts; it is therefore beyond question that when it is fully realized that money is required to build warehouses to defend her increasing crops, it will be forthcoming; if not from private enterprise, then the National and Provincial Governments must come to the rescue. It is more than essential—it is imperative.

Brazil sets Argentina a brilliant example by her resource and effective adoption of the necessary measures instituted for the protection and proper administration of her great coffee crops, not only by supporting the inauguration of option markets at Santos and San Paulo to defend her planters against a threatened monopoly by a few wealthy exporters; but by the formation of a big Storage Co. under Government guarantee, and the passing of "a warrant" law to work in co-operation and facilitate the carrying of stocks, so that shipments are made in consonance with demand, and thus sustain values in the international market.

Is it not a reflection on Argentina that as the seasons go by and her crops increase, she remains as bare of storage facilities as ever? By reason of this her cereals still fail to find recognition with her bankers as first class security, that which is accepted and willingly met in every part of the globe where the sun shines.

Bankers are naturally timid, and rightly insist that the bona-fides of any collateral shall be clearly defined and insured.

Wheat, therefore, in the absence of any systematic basis, is not recognised as a commercial security in Argentina, although immediately it reaches Europe it obtains recognition as first class collateral, on which 95 o/o of the current value is willingly advanced by the financial world, and why not, it is the finest security the world contains—its buying power is greater than all other products and minerals combined. Gold in comparison is without value, for it is nothing more than the counter for barter, recognised by the world.

Turning by way of comparison to

North America, the Report submitted by the Industrial Commission to Congress in 1901, states that the American producer meets the world's competition in foreign markets on the most favourable terms, and usually with great success, with the result that, because of the competition of carriers and the rivalry of markets, the American producer gets very much more for his labor than the inhabitant of any other country on earth.

In one word, the competition amongst buyers at the great primary markets, Chicago, Kansas City, St. Louis, Minneapolis, keeps up the price to the producer, and is the great force always at work, which assures to him the utmost value of his labors, which naturally is regulated from season to season as there may be abundance or scarcity.

This is a condition of things in strong contrast to the substantial monopolization that exists in Argentina, the deliberate destruction of competition, and the consequent control of the country's products by a small clique who have reaped enormous profits, and which will continue to increase.

The history of the Agricultural development of the United States is an everlasting monument for all time, to the consummate skill with which the great difficulties were surmounted, and the ability of the American people to apply the principles of equity to the administration of her vast products.

The visible supplies stored in the enormous elevators at the principal terminals of her grain fields, are duly registered and watched by hungry Europe, Chicago, St. Louis and Minneapolis have a combined storage capacity of about 3 million tons.

There are unmistakable signs however, that the United States, with her rapidly increasing population, will not be able to spare even the 25 o/o of her wheat and 5 o/o of her maize, which is her average contribution to the world's consuming markets, and it is not too much to say, that in the very near future she must cease to be an exporter.

There are no signs of a plethora in foodstuffs, but on the other hand every encouragement is held out to Argentina for the cultivation of her virgin lands; it is a debt to Nature which she must acquit to the full, to meet the world's needs.

At the same time she must not fall in common justice, to defend the producer and the products, by the equipment of storage facilities for the mobilization of stocks, and the institution of uniformity in commercial customs, and generally to encourage the adoption of recognized principles and methods, which are indispensable to the economical development of a country.

From the storage point of view, the cost of the remedy is insignificant in comparison to its colossal importance.

It can be taken as a basis that 1 million pounds sterling will provide permanent storage for 1 million tons cereals, and it is to be hoped that the day is not far distant when the call to arms will be made to find the sinews of war, to defend the crop for the national welfare, in the promotion of public storage companies under economic administration, obtaining adequate return over expenditure, to provide for effective maintenance and operation, and to attract capital for its continuance and extension.

When that day comes, as come it must, Argentina may then justly lay claim to the proud title *The World's Granary*.

#### Trusts—Harmful or Otherwise.

##### A Comparison.

In an article below over crop finance, I draw some attention towards the Grain Trust, the trust most extremely prejudicial to the country's welfare, and show how little serious attention has been given the matter especially on the part of the Government.

This is more than striking when taking into account the relative rapidity with which the Government was induced to promise remedies in the event of action prejudicial to the country on the part of another Trust, the so-called Meat Trust.

One is tempted to ask why such should not be the case in treating with every trust, American or Argentine.

The Government has promised measures should the so-called American Meat Trust act perjudicially to the country; well let us compare its acts up to date with those of the Grain Trust and see where the Government's duty lies first.

The methods of the so-called Meat Trust were reputed to consist primarily

in giving their competitors the choice of joining them, or secondly being squashed through fierce competition.

The methods of the Grain Trust are simpler, they comprise only the second part; this obviates any question of sharing profits outside of less than half a dozen people.

So long as the grain Trust has been in existence, prices have never risen; on the contrary, as Government statistics show, they have always been kept far below those obtaining elsewhere in the world.

Ever since the so-called Meat Trust has been heard of prices have steadily risen, and to-day stand at figures undreamt of before, and what is more, show no signs of falling.

The result of which is that whilst the Grain Trust has extracted millions from the pockets of the farmer the Meat Trust has put millions into their pockets. The difference between the actual value and that paid by the Grain Trust goes into the pockets of less than half a dozen people. Against this let us look at the difference on the cattle exported by the Trust, for if previously steers fetched \$100, since the Trust's appearance they've sold minimum \$20 dearer; which means so and so many millions extra pesos into the pockets of thousands of breeders instead of into the Trusts'.

The operations of the Grain Trust have steadily decreased the value of land for agriculture, those of the Meat Trust have increased the value of land for cattle.

Let us look too at the patriotic side of the question.

The meat Trust has spent considerable sums of money in offering prizes towards improving the cattle and sheep, and have paid sums far beyond their intrinsic value for those animals which showed such improvement, in order to encourage the breeders.

On the other hand has the Grain Trust ever put its hand into its pocket to shed one solitary peso of the millions wrung from the farmer towards encouraging him to cultivate better wheat, or ever paid even the full value for any extra quality crops he produced?

The action of the much denounced Meat Trust has been to increase the value of the article it deals in, to send up the value of productive land; has enabled the breeder to recover from the effects of and pay off previous bad



years and to revive the trade in a languishing moment, besides giving employment to hundreds more, to make luxury possible where misery was probable; in short, to increase the national prosperity for its own benefit.

And in contrast to this can one sole good effect be adduced to the favour of the Grain Trust? It systematically reduces the value of the article it deals in, it lowers the value of agricultural land and puts it below profitable working, it deals another blow to the farmer on the top of those suffered through bad years, it never helps him to recover or pay off such, and takes employment away from thousands. It makes misery certain where livelihood is possible; in short it hampers the national prosperity to its own benefit.

The so-called Meat Trust has brought capital to the country, has invested largely in buildings and factories, has given employment to thousands and has added to the productive power of the Nation.

Moreover the Grain Trust has gone to extremes in suppressing anything likely to give employment, to increase the economic prosperity of the Nation; it has successfully combated till to-day the building of grain elevators, the establishing of sound warrants, the creating of markets; all that intelligent advocates of agricultural progress have endeavoured to secure for the farmer's benefit, and which too would prove beneficial to the Trust itself, were it working on legitimate lines, and not solely with the object of enriching itself irrespective of the ruin caused.

Of the money so obtained by the Grain Trust, not a cent materially benefits the country, not even does it remain in the country, since the chief parties of the Grain Trust do not even reside in the country. The Meat Trust's profits are at least divided up among many limited companies, comprising many shareholders, who will increasing dividends become stronger investors in Argentine companies. This must be borne in mind, for whereas the directors of the meat companies have to respond to shareholders, the Grain Trust, comprising a few private financiers, even act with impunity, since they have none to question them, none to bring their illegalities to light. Again the Meat Trust's activities have benefited in another way, have made profitable the building of large new ships to carry their products, con-

trary to which the Grain Trust, with the monopoly of all elevating and loading facilities, brings the shipowner to despair, and twist the freight market to suit their own convenience.

The manipulations of the Grain Trust, by preventing the erection of elevators and markets, have kept the Republic back from obtaining her due position among the world's markets and from becoming one of its guiding centres.

Up to date the manipulations of the Meat Trust have been to push the Republic forward materially as the great centre of the Meat Industry.

As I said, the attitude of the Government in the one case is striking, but it is still more so when one compares results of the operations of the much discussed Meat Trust with those of the little discussed Grain Trust.

If damage is the criterion by which trusts are judged, that is, damage to the many to the benefit of the few, then a slight study of these two trusts should show the Government where its promised measures are most urgently needed.

The Meat Trust has meant enterprise, new markets and prosperity, and if such can arouse alarm and suspicion and the Government to action, then how long must one clamour for Government action in regard to the Grain Trust, whose policy means stagnation, ruin to the farmer and desolation to the country, under the effects of which we are all suffering to-day.

What is then the real cause of this dilapidating with the vital interests of the country?

#### The Negligence of Government.

The Argentine Republic is credited this year with nearly 25,000,000 hectares under cultivation, of which wheat covers 6 million hec. (20,000 sq. miles), oats extended over 1½ million and linseed of three quarter of a million.

From this mighty area cereal products are obtained estimated to weigh some 15 million tons and to be worth at least one thousand million pesos.

One thousand million pesos resulting from the labours of a rural population of less than a million people.

Notwithstanding this the cry of the majority of these million odd farmers and countless labourers is not for more money, but for money at any price;

their gains are insufficient not for the luxuries of life but for its very necessities. But has the Government helped them?

By what extraordinary combination can the farmer fail to profit from the thousand million pesos he takes out of his land? Does the Government offer an explanation?

Who then reaps the benefits from this mighty production? Does the Government know?

Into whose hands passes this fabulous wealth that leaves the producer to cry poverty? Does the Government care?

The cry of distress among farm labourers is not seldom even in the worst of lands, but complaints persistently heard from the farmers themselves is something indeed rare anywhere and elsewhere results in immediate Government action.

Let us see how much of this is brought about, how inexperience and persistent ignorance on the part of those in authority causes untold damage to the country's vital interests.

The Argentine population is recognised by all except those wilfully blind as subsisting under conditions of poor living incompatible with a due advancement in progress.

Contrary to elsewhere it is from the country that the standing cry of no money is heard loudest, and from the country comes the rumours of discontent with its customary train of unpaid rents, ejections, mob meetings, etc., etc. How is it possible that a state akin to the one time that of Ireland, can persist in this country?

And what redress or even signs of it, can we see attempted on any part of the Governments?

How long must a state of affairs exist which all earnest students of the country's needs have long recognised as too persistent but to augur badly for the future progress of the land?

What measures have appeared to allay the fears of future agricultural disturbances such as have been manifest during the last few years?

Are there signs evident of any such zeal for the interest of the farmers as characterises the policy of progressive lands elsewhere?

One has only to call to mind, the assiduity of foreign Governments in their attention to the claims of farming interests, their preoccupation for the advancement of agrarian interests, the

measure of importance given to all questions affecting agriculture, to be astounded at the negligence which has characterised the Governments of this country in what refers to agriculture.

This is all the more inexplicable since foreseeing men have not been wanting to indicate the roads along which the Republic might travel in huge strides towards solid prosperity.

Unhappily with few exceptions the very Ministers charged with the interests of the farmer have been the greatest stumbling blocks to advancement of his interests, and the few who have appreciated them and made attempts to put in force measures directed at lightening his task, have succumbed to political influences.

Recent events have, however, forced the hand of the Government, and compelled the Minister to attempt something, but here again the results are not in proportion to the requirements, and in place of efficient and statesman-like grasp of what is needed we see stunted and amateurish efforts.

If the previous occupation of a minister have not permitted fundamental study of that which he is supposed to direct, why is he chosen?

That knowledge will come with experience is not to be doubted, but is it not asking too much to expect the country to wait till every new minister acquires the necessary experience at the expense of the hard working agricultural community?

The value of a Minister is in what he can earn, not for himself but for those whose interests he undertakes to look after.

If it be felt that the Ministry of War or Marine, is better in the hands of a practical soldier, or sailor, why should not logically a practical farmer be called upon to fill the Ministry of Agriculture?

A competent lawyer must certainly be more ably employed in a post where legal knowledge is required. One is tempted to ask how long will lawyers be credited with all the perspicacity?

This apart, greater faith would be possible were the direction of the Department of Agriculture in the hands of a practical farmer, one to whom the real wants were imbedded through repeated experiences, as for instance one to whom the power of the grain trust, a too long left iniquity to need discus-



sion with representatives of these so called Argentine interests.

Let us take some of the disabilities under which the farmer labours and see what has been done to amend them by the Government up to date.

#### The Warrant Law.

A recent law has given us Warrants as a legalised document.

If this were all, well and good, but in place of a statesmanlike effort, an enactment has been provided which impedes rather than facilitates the purpose in view.

Where the country expected clarity and simplicity, ambiguity and complexity are provided, where full measures were awaited, half measures have been evolved. The Warrant Law such as it is might have some chance of being turned into a useful measure, if the country had twenty years of elevator experience behind it, but to put it forward at the present moment as a means whereby elevator progress may be advanced is demonstrating again the ineptitude of those in authority.

In place of offering favourable terms or conditions to those willing to undertake the creation of elevators, it imposes onerous combinations, in place of governmental support and benevolent encouragement, it adopts a tone of severe exigence and reprimand. In the meantime we must wait probably until the Warrant Law almost proves a fiasco before our parliamentarian geniuses will penetrate into the fact that warrants without guaranteed safe and scientific storage in the shape of grain elevators, are only warrants in name.

Worse even than these errors of statesmanship, it renews proceedings which experience here has already demonstrated radically wrong through previous repeated failure. It is a half and half measure blind to experience and shows how little the authors have studied that which they pretend to legislate.

The spirit of progress had awakened some response in official circles, judging by the discussion in the press over the pros and cons of what needs immediate attention, and thus the Warrant Law came on the way of completing the first step towards reorganizing agricultural business, but it is of not the slightest use stopping

at one measure no matter how all fulfilling it pretends to be. Those who are convinced that "festina lente" is the correct way of obtaining something really useful have reason to doubt the final success of the present campaign for agricultural salvation. As has been advocated so often and continuously it is not a plethora of laws that is needed. It is this superabundance of projects which really kills all the progress, and is generally at the bottom nothing but able maneuvering on the part of the farmers' enemies, in taking advantage of the inexperienced enthusiasm for laws, which shall remedy everything in one swoop.

A Warrant Law in the simplest form is what is required for the best interests of the agriculturist, but since it has been complicated by including every form of agricultural and commercial enterprise, it is to be seen now whether its efficiency has not been impaired through overloading. One thing is pretty evident, that without its complement, as far as cereals are concerned, safe and scientific storage, the Warrant Law is doomed to failure as a half and half measure.

To insist on the advantages of Warrants and deposits is talking to the wind so long as the Grain Trust is omnipotent with the Government, under whose wings it exists and thrives. And since both octopus and prey cannot live at the same time, we must go on waiting until the farmer or charcarero, tired to the death with being ground between the mill stones, plucked by the almaceneros who supplies his wants and cheated and swindled by the exporting fraternity, whose wants he supplies, begins to show his discontent already strongly in evidence, still more strongly, and even by giving the country a wide berth and incidentally a bad name.

What is the use of a Warrant for an article, the sound condition of which is not promised? Where is the guarantee in a warrant for cereals, which are depreciating daily, or with every rainfall? What banker would discount a bill whose security is based on an article which from night to morning may lose half its value?

The sole use or utility of a warrant is warranting the sound existence of that which it warrants; that it warrants the existence of the article it covers is not enough! Without the

assurance that the article it covers is safe and sound accepting a warrant is pure speculation. Nothing would justify a bank accepting such paper and it is pure illusion to suppose that such warrants are ever likely to be discounted through banks at normal rates of interest.

If the Warrant Law is not to be a farcas, it must, as far as it pertains to cereals, be accompanied by safe deposits. Without elevators or proper deposits in which the article warranted can be kept safe and sound, it is simply supposing the impossible, in fact courting further commercial disaster, to expect any great improvement in the handling and marketing of cereals, at least without a Safe Deposit Law or Elevator Law. And what is really necessary after all? Practically nothing more than a law guaranteeing the integrity of an elevator system, that is a law offering every facility for the construction of safe and scientific deposits. If in the present moment of supposedly inflexible diminution of all expenses, the Government, in the true interest of the country's welfare, embracing as far as crops alone are concerned about 1,000,000,000 pesos, cannot provide the funds for elevators out of the country's revenue, then they should offer every facility for others to do so. The exemption of taxes, and other facilities would be but one right step in this direction. The present moment is one most propitious for action on the part of the Government, given the fact that at last a Warrant Law has been put on the statute books.

#### Roads.

Just as the elevator has proved a powerful adjunct towards solving the sack question, so too indirectly has it contributed its part towards helping over the road difficulty.

In the U.S.A. the difference in the cost of transport when over bad roads is found to represent an additional 20 to 30 per cent. to the cost against transport over good roads.

That is if the average cost here of carrying each sack to the station represents 25 cents per sack under present conditions, with good roads the cost would be reduced to less than 20 cents. The bad state of the roads depends besides on the weather, on the amount

and conditions of traffic; if all the heavy traffic is forced over the roads within an extremely short period, it greatly adds to the cost of maintenance without any corresponding improvement. By regulating the traffic the work of improving the roads is much lightened, and since better roads implies lessened cost of transport, every means towards this end puts more money in the pockets of the farmers.

Through normalising the labours of the farmer thus permitting the roads being used rationally, elevators contribute towards reducing the costs of transport, another item of importance. Bad roads represent for the farmer alone in what concerns the marketing of his crop an additional charge, estimated at no less than \$15,000,000.

What this loss was increased to through the bad weather after the maize harvesting needs laying no stress on, its effect is still being felt to-day.

Another thing. There are proposals of spending six millions in providing work for the unemployed in Buenos Aires. One would think that there was not a single unproductive work unaccomplished in the Republic, when six millions can be spent on a non-productive work such as paving un-built roads around the docks. This sum spent on road making in the country would provide just as much work for the unemployed, and apart from the fact that this money would be distributed over a great part of the Republic where mostly needed, and so do much more good than just in B.A., it would provide a standing monument to statesmanship. Just as the famous roads in France are a monument of statesmanlike appreciation of what is the utilisation of unemployed labour in times of war. The country roads here in this country, despite the Mitre Law, cry shame against the spending of more money on the town streets, while they remain abandoned.

#### "Prenda Agraria"

Another law added to the statute book recently is the Agricultural Loan Security Act.

Its object to facilitate farmers obtaining small loans on their movables. Does this law evince any higher conception of statescraft? Not a bit, it again exemplifies the

ability of the Ministers to grasp the real conditions for agricultural advancement.

The "Prenda Agraria" in the concept of the authorities is but another screw with which interests can be wrung from the unhappy farmer who sees necessity has forced to its employment.

Where can be seen in its concept facilities whereby a small sum can be obtained at a minimum cost?

For what class of loans are its rules; for small loans there is no question of facilities. What would a loan of \$1,000 to \$2,000 cost 99 per cent. of those likely to want such? Is it within sanity to expect the average chacarero to stick passing through the whole rigmarole of the "Prenda Agraria" when an easy method lies at his door, even though it costs him dearer.

Yet again a fundamentally false conception of agricultural statecraft pervades the law.

The conceiving of a "Prenda Agraria" was not as a means whereby a debtor might enforce payment. The "Prenda Agraria" was conceived that a farmer might obtain money easily the "prenda" itself being a minor matter.

Its base for security, that of the objects through which medium alone the means can be obtained to redeem the debt, proves that the security is the secondary matter.

The present enactment is a citation of means whereby the money may be obtained, by its creditors. There is no mention of where the farmer will secure the funds he needs, still less indications of the way to obtain them at a minimum cost. Loans to farmers without security. Impossible!

Cannot Government employees obtain loans without other security than their future prospects of obtaining their salary?

Are then farmers of another morality?

Once existing elevators to back Warrants half the supposed difficulties are obviated which beset all Ministerial attempts at solving small loans to farmers.

Let but the Ministers study results what other countries have attained through spirited action on the part of their authorities and copy them since they cannot evolve better.

### Harvesting Loans.

Here again another problem is waiting solution. What has it advanced despite the drumming year in and year out?

This year's abnormal circumstances have forced activity on the authorities, but beyond a temporary solution through the help of the Banco de la Nacion, there is evidence of no further preoccupation for any permanent measure.

Normally the Grain Trust advances the money, under guarantee first, of the signature of the farmer on his "pagaré" at 9 p.c. for two months; secondly, against a crop standing in evidence to produce more than sufficient to cover the bill alone, under normal climatic conditions; thirdly, the selling price at which the crop is to be delivered is fixed so low that only some extraordinary combination on their part can bring prices down so that apparently they would be out of pocket in accepting delivery at the price fixed. It must be remembered too, that any grain exporting firm itself is a leading party in the grain trust which practically fixes the prices on the market.

On the other hand, what are the expectations for the farmer? The funds necessary to harvest his crop he must have, or lose the money spent in preparing and sowing the ground. At the Bank he has the reply, customary to all except a favoured few: "there are no funds available." He is well aware that, although the Bank, in rural parts almost exclusively the "Banco de la Nacion" has not money to lend out to cover a tenth needed for harvesting the crop, the grain exporting firms have more than enough, but, at their own terms.

Twist devil and the deep sea, who wonders he falls to the former, and receives the money from the cereal trust at the low rate of nearly 200 % per annum, and binds himself to sell cheaper than the current market price at date of delivery. If he fails to harvest the quantity he has expected and agreed to deliver, he has to buy elsewhere to make up the amount; if he can buy elsewhere he has to pay much more for it than he himself has obtained; otherwise he is a defaulter and can be hauled up before the law and made to pay.

As far as the farmer is concerned his part in the transaction is whether

they leave him his skin, or take that as well.

This year through the war those who form the trust and who the Government have permitted to supplant it in its duty of providing funds for harvesting purposes, have been compelled to partly withdraw or diminish their credits and advances to farmers.

Nothing of this has impressed itself on the minds of the Ministers, whose mentality extends, it seems, but to theory and discussion, and since the consequences of anything disturbing the Trust has escaped their provision we see the deplorable effects in a general restriction, if not total disappearance of rural credits.

Given the fact that the funds manipulated by the Trust runs into hundreds of millions of pesos, what a partial restriction of their operations means to the farmer needs no emphasizing.

One of the results of their abandoning of the farmer has been the clamour heard from all over the country, for decisive action on the part of the authorities; these it is seen confide in the activity displayed by the Banco de la Nacion to cover the necessities of the moment.

The momentary difficulty of the Trust is the moment now or never for shaking off this octopus, and its suckers could receive such a blow to draw them in for ever, were the direction of the Ministries in the hands of men of comprehension.

In place of permanent measures, bases for future progress, we see them temporising with the question as though it were something unheard of previously.

What these harvest loans have cost the farmer in the past is beyond calculation, and if in the opinion of the Ministers they offer no cause for preoccupation to the Government they are sharing an opinion solely held by themselves, and certainly not justified by the attitude of the rest of the country.

Since they are not prepared to deal with the difficulty they have fallen back on the customary resources and to compensate the eternal dispute over funds for agricultural purposes this year it is intended that the Banco de la Nacion shall make special provision for the sums needed in harvesting. The Bank directors are reported making personal investigations and it is to be hoped this time that the matter will

not fizzle out as on other occasions and when the time comes for the money to be found that after all there is none to lend.

The expenditure in connection with harvesting the crop is calculated at 225,000,000 pesos. To provide this sum is the duty of the Bank of the Nation, since it represents supposedly national interests, which should have first call over commercial interests for which there are plenty of other banks. Since, clearly, the Bank of the Nation has not this mighty sum of money in its coffers, the funds can only be provided through credits.

What means are being taken to see credits reach the right persons?

In previous years the efforts of the Banco de la Nacion have dimly failed in regard to loans to small farmers.

The Bank has circumscribed its loans through the stringent rules governing credits accorded, which in many cases prevent the farmer from securing them at all, or in most cases only benefiting half of their utility.

If the Bank insists on the farmer obtaining signatures as guarantees, the customary proceeding, then it is only humbug to talk of special additional facilities for the farmers this year. The Bank directors are well aware that the signatures they demand as guarantees are always the same, the "almacenero" or the "consignatario," and that these do not lend their names without exacting their conditions.

Credits to farmers under these conditions are simply means of pillage, legally and lawfully covered.

Does the Government know what conditions are generally exacted for any services accorded the farmer?

That it would be worth while the Minister of Finance dedicating some attention towards understanding his position is evident, before he talks glibly of facilities to farmers of which he knows nothing about it seems.

A more insistent call for the grounding of such a system as that known as "Rafelsen" can hardly pass unheard by any statesman with pretensions to such, and I recommend it for His Excellency's attention, together with the following:

174 o/o interest p.a.

A strong light was thrown on this by an interesting arbitration case decided by the Bolsa in February last.

An unfortunate grower borrowed \$50,000 from one of the leading houses undertaking to pay 9 o/o for two months and also to sell them 10,000 tons cereals at 10 cents per 100 kilos under the current price, on the day of delivery. That is to say \$10,000 on \$50,000 for two months, which is a modest rate of 120 o/o for two months, so that this means a matter of 17 1/2 o/o per annum. The unfortunate grower was unable to deliver more than 2,000 tons and the claim was for the difference according to contract.

I am glad to say the Bolsa decided in favour of the grower, as far as they possibly could within the terms of the contract, especially as it was disclosed that the settling price of the 2,000 tons was fixed at considerably below the actual market value.

If this is any criterion as to the way our growers are exploited it is high time Government stepped in to fix some limitations of interest.

In Europe pawn broking and money lending is subjected to the law, but this case puts all forms of usury quite in the shade. Is it a wonder that we hear so much about unrest and strikes in agricultural districts?

The facts, however, are beyond question, and actually the interest amounted to nearer 200 o/o per annum than the figure given. It is claimed on the side of the exporters that they have no wish to do this sort of business, but it is forced upon them and they are obliged to demand a fabulous interest to compensate for the risk they undoubtedly run of making losses, while on the other hand, the grower is obliged to obtain funds to harvest and market his crop, and it is presumed that he cannot better the terms elsewhere, otherwise he would naturally do so. Recognizing that each side has some reason in its favour it is to be deplored, and it is a standing disgrace and menace to the economic condition of an Agricultural Country.

#### Credits.

Whether credits are obtained through the customary sources or through specials means is much the same thing to the "chacarero." The chacarero wants credit, and will and does pay heavy prices for it, when he has prospects of making over and above the money loaned. And it is

to this side of the question that most attention is needed, to the seeing that he gets full value for his products so that he can pay back his credits. If he is to get money assured him in credit then why should he not get the means assured him for paying it back. The only way to assure his paying it back is to see he doesn't lose a cent over his crops, and the only way for him not to lose a cent of his crop profits is for him to be able to sell it at its full value. If his credit is cheap he can sell cheap, but if his credit is dear, then it is certainly ruinous speculation to sell cheap, and this is what the farmers have been doing for years under the regime of the exporting fraternity.

The security offered by the average farmer for harvesting loans, is his standing crop almost exclusively, his personal credit can hardly be said to count, although he has always to sign bills for the money.

Once harvested he has to sell his harvest as quickly as he can, irrespective of what it fetches; not only because he has to pay off his indebtedness, but because he has nowhere to store the harvest till he can find a better buyer.

Here has been the Cereal Trust's opportunity, which they are not slow in grasping; since the grain-grower has to sell, let him sell at their terms, or keep his crop.

And here they have him sure, for keep it he cannot without storing it properly, and where in the whole country are proper storing facilities. The few cereal deposits that exist have long been in the grain Trust's hands.

As we see whether the farmer belongs to the class independent of loans for harvesting purposes, or to the class absolutely dependent on loans to raise their crops, the situation is the same. The former may at great risk and expense store what he has, in hope of getting a few cents more, but those who have made the experiment have realised that it is only delaying the inevitable skinning process. The latter have to sell willy-nilly and since 60 per cent. of the farmers constitute the latter class, more than half the grain crop is rushed to the market immediately harvested. If the prices are not already down in anticipation, they are not long in coming down whatever the prospects are in the rest of the

world, these, given the grain markets here as to-day constituted, being absolutely a minor matter. And yet we hear talk about Argentina losing the world's sales, as though the man who has to sell is in a position to fix his own price.

If anyone doubts of the existence of the Grain Trust and its power to fix the prices current, then one fact alone should go a long way to convince him; for according to the statistics issued by the Ministry of Agriculture for more than the last 15 years the prices obtained for the same quality of wheat by the farmer in the United States have been and are between 10—15 o/o more than the Argentine farmer. On the base alone of average wheat exports worth hundreds of millions of dollars, what must the profits be of the Trust in one year alone?

We hear continually of the great development and rapid strides which are being made, but I am very much afraid that fundamentally things are pretty rotten and unless the backbone of the country, the producers, are in a good condition and able to pay their way, there must be a good deal of illusion about the prosperity. Unless radical measures are instituted, we shall soon hear of decreased acreages instead of the customary flowery verbiage as to this being the Eldorado of the farmer and the granary of the world.

The grower is himself helpless to better his condition, and while so much fuss is made of the meat trust, it is an indisputable fact that the cereal trust is a much more vicious parasite, which must be eradicated without further delay.

This aside, however, more than ever must one protest against the extortionate usury in this question of loans for crop-raising, for it is obvious that where a farmer has no option but to see his whole year's labour rot in the field unless he gets money to bring it in, his choice of making terms with the man with the money is about that known as Hobson's.

Moreover this usury on the part of the grain exporting fraternity is absolutely unnecessary, and still more to be reprobated, than if it were a question of pure money lenders interest. For where the whole grain

trust as vicious as any yet ever engineered, the whole year's labour of the farmer is wrung from him in any case; to cheat the blindman that you're going to rob is after all rather overdoing the game.

It must be admitted none the less, that as the grain exporting firm declared over the contract in question, typical of all such contracts made between grain buyers and the farmers it is a speculative affair; but, not on their part as maintained by the grain exporters, no, wholly and solely for the farmer, whose side of the speculation is how much more or less he is going to lose.

Let us hope that if the European war has broken the might of these unscrupulous usurers, it will let us equally hope that the Banco de la Nacion fully appreciates that it is "up to" that institution to remedy matters which have too long menaced the whole country's welfare, and that in duty bound the Bank is expected to restore confidence in agricultural undertakings.

#### Wanted a Usury Act

I would like, by the way, to remark on the procedure observed by the farmer in the case cited, in his endeavour to obtain mitigation of the harsh terms to which he had agreed.

He cannot appeal to the Law Courts here, as he can everywhere else in the world, to protect him; on the contrary once having agreed to the terribly onerous conditions imposed on him, at his creditors' call the Law steps in and sees, not that they are mitigated, but that they are carried out to the letter.

His sole hope, if the other party will not forego their pound of flesh, lies not in an appeal to justice, but to the Grain Exchange Board, a private board, without executive power, whose decisions have no more than moral force.

In the case in question, it is seen that after investigation the board does its best to mitigate the terms, and with this moral force behind him, the victim is able to come to terms, not over the capital sum lent, this having already been returned in kind, but over the nearly two hundred per cent. interest.

Here the Government might investigate as to the necessity of bringing

in a Usury Act, on the codes of all countries except here apparently, where it is most needed.

The question may well be asked how such a state of affairs is permitted by the law, and why nothing is done by the authorities to remedy such agricultural tyranny. Such distress which forces the farmer to accept usurious terms ere he can hope to even harvest his hard sown crop, seems crying aloud for investigation, and yet the same things are brought to light and reported in the press year in and out. With each succeeding year it grows worse, and nothing happens, nothing is done, either by the Government or the farmers themselves.

Should not this single case of nearly two hundred per cent. per annum interest be sufficiently biting to arouse either one or the other of the Ministers of Agriculture or Finance to something practical; of theory there is more than enough lying around in propositions for laws and amendments by each succeeding Minister; what is required by this time is something more than propositions.

It is surely the duty of the farmer to bring this before his deputy, but how much faith has the average voter in his deputy and how little can be expected from the Congress needs no evidencing, since questions so vitally interesting to each voter in rural constituencies have not been deemed by a single deputy worthy of the trouble of calling the attention of the Minister in the Chamber; it is true the interest ruling in the Congress as to the needs of the country is as low, as it is high elsewhere.

#### Agricultural Banks.

It needs, roughly speaking, but a stroke of the pen on the part of the E.P., given the existing exceptional facilities at their disposal, to do away with much of this money lending and pawn broking business on the part of the Cereal Trust.

The present Minister of Agriculture has promised Agricultural Banks, but why new banks? With very little additional organisation the existing Banco de la Nacion can more than accomplish all that newly established Agricultural Banks can hope to undertake, which in fact cannot be firmly established and of full utility in a space of

a year or so. and in the meantime if the Banco de la Nacion whose charter establishes the very duties of the proposed banks, is inefficient, then efforts should be made to remedy this previously to providing other institutions, which all said and done means more additional expenses to the already heavy cost of the money lent. What is needed is not Banks, but money, and cheap money.

From the farmer's standpoint, it is money he wants facilitating, and this at reasonable rates of interest and for sure year in and year out as long as he can offer reasonable security.

It is useless to hold forth brilliant prospects to the farmer for the future, for unless he gets a sound return for what he has at present, the future is not likely to create much enthusiasm for extending his labours. Certainly the progress of this year's agricultural sowings is being keenly followed, and also the disabilities of the farmer, judging by the lengthy articles in the press all over the country.

It is of some consolation to see that, outside the Government, there are plenty of people anxious to help towards solving some of the questions which are afflicting agriculturists year in and year out, and it will be a great pity if the Government fails to take advantage of the state of feeling for immediate measures for agricultural well-being and proper progress. By the plethora of projects appearing in print it would seem that the present state of affairs has become well nigh intolerable and everybody feels the necessity of immediate action. It is to be regretted that despite all, this spirit hasn't yet affected the Government to any great extent.

As a contrast to the fulsome compliments usually indulged in by visitors to this country, it was refreshing to hear the candid comments of one of the members of a recent American deputation visiting us. This gentleman being closely connected with agriculture in Illinois naturally evinced some interest in our crop methods. He seemed astonished that we had made such progress under such primitive conditions and was at a loss to understand how we were able to handle and market our crop in the absence of elevators; without which it is impossible to properly clean and grade the grain and without which safe storage and proper and adequate agri-

cultural credit is likewise impossible. It was interesting to hear that in the Northern States a recent banking return disclosed the fact that the farmers held 48 per cent. of the bank stock throughout the agricultural zone. This makes a very sad contrast to the state of affairs here, where I have cited an example of growers being forced to pay 174 per cent. per annum for temporary accommodation.

#### Co-operative Enterprises.

The Government has given some attention towards developing among farmers this feature of cohesion, but largely owing to a misapprehension of true farming interests its efforts have not been crowned signally with successes.

Instead of aiming at the creation of cooperative societies for facilitating the purchase of articles for his needs, its efforts should be directed towards founding associations for furthering the sale of the farmer's products.

Among the most powerful adjuncts of this class for furthering the sale of farm products stand elevators.

In other countries the principle of co-operation has been applied most successfully to this object and Elevator Cooperative Societies under the auspices of Governments have come into existence.

The combination adopted and proved most successful has been that of Government loans, or guarantee, at cheap rates to private enterprises as represented by groups of farmers. Wherever such have made their appearance their success has so amply demonstrated their utility that others have always followed, and if we cite Canada alone, we find throughout entire provinces every centre provided with an elevator or more on this principle.

The prosperity attained by farmers in America through elevators is proverbial and where cooperative principles have been added, prosperity has been even more firmly seated. With the prosperity which elevators have brought in their train it has been possible to solve questions which without elevators previously appeared beyond solution.

It has brought efficient basis for solving such problems as cheap Loan Mortgages, Agricultural Loans Security, (Prenda Agraria, Raffelsen system and others), Rural Banks, Farmers Market-

ing Associations (Cooperative Creameries, Butteries, Cheese Factories, Bacon Curers, Distilleries, etc.), Hall Insurances, also Live Stock, Fire and Life Insurances, etc., etc.

Elevators stand for prosperity and progress, their absence means poverty and reaction.

#### Summing Up.

By putting off the construction of elevators the Government is forcing the country to the huge loss of about \$500,000,000 annually.

Without elevators the farmer is deprived of the means of defending his pocket from which as we have seen each year is taken: one third of his legitimate profits.

Elevators mean avoiding this:—

A difference of prices through forced selling which represents the loss through deterioration of crop non grading, etc., etc. . . . .	\$200,000,000
The wastage through use of sacks . . . . .	" 150,000,000
The overcharge on ocean freights . . . . .	" 45,000,000
And the extorsions of the Grain Trust over and above legitimate profits . . . . .	" 5,000,000
So that . . . . .	\$100,000,000
	\$500,000,000

will be saved the farmer, who thus permitted to enjoy the fruits of his labours will be able to achieve that prosperity which in other countries is synonymous with farmers and farming.

Does it need so much comprehension to reach the bottom of agricultural distress in face of these figures?

How shall a nation prosper under such conditions?

No country no matter how rich, or grand dare stand idly by and see one third of its hard earned wealth deliberately wasted, one third of its legitimate profits thrown in the gutter, much less can it stand by and see one third of its population toil that the fruit of its labours pass to the benefits of others when it has it within the power to save such.

Elevators alone can bring back prosperity to the land: from the elevator; wherever one turns, to any place of

noted progress, the results are the same : prosperity continued despite all good years or bad.

What greater vision for a true patriot and statesman than a prospering and enterprising country folk ? Are not equal results to be awaited in this country ?

No man who has taken the trouble to examine the embarrassments under which the country labours, who has given himself to the task of looking

into the fundament of the difficulties which obstacle the progress of farming here can doubt for a moment the improvement possible here by the farmer through Elevators. Only let fortune favour him with the cooperation of sound Government.

"Count that day lost,  
Whose low descending sun  
Sees crops sold under cost  
And farming done for fun."

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